

Independent Office of Audits And Investigations

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April 20, 2021

JEANIE WARD-WALLER
DEPUTY DIRECTOR
Planning and Modal Programs
California Department of Transportation

Dear Ms. Ward-Waller:

Final Audit Report – Kings County Association of Governments, ICAP Audit

The Department of Finance, Office of State Audits and Evaluations (Finance), performed an Indirect Cost Allocation Plan (ICAP) audit of Kings County Association of Governments' (KCAG) ICAPs for fiscal years 2018-19 and 2019-20. The audit was performed to determine whether the ICAPs were prepared in compliance with Title 2 Code of Federal Regulations (CFR) Part 200 and the California Department of Transportation's Local Assistance Procedures Manual (LAPM). In addition, the audit was performed to recalculate 2018-19 and 2019-20 rates to determine if unallowable costs were identified. The final audit report, including KCAG's response, is enclosed.

The audit determined unallowable costs were included in the indirect costs pool. These costs should be excluded from future calculations of the ICAP submission to reduce the risk of overstating ICAP rates and overbilling indirect costs.

Caltrans is responsible for implementing corrective action on audit recommendations and for maintaining documentation to support actions taken. Your corrective action plan is due by June 30, 2021 and should address all recommendations in the enclosed report, including timelines.

Ms. Jeanie Ward-Waller
April 20, 2021
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If you have any questions, contact MarSue Morrill, Audit Chief, at (916) 202-7626 or marsue.morrill@dot.ca.gov or Nancy Shaul, Audit Manager, at (916) 323-7940 or nancy.shaul@dot.ca.gov.

Sincerely,

RHONDA L. CRAFT
Inspector General

Enclosure

c: Terri King, Executive Director, Kings County Association of Governments
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